

BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D. C.

DEPARTMENT OF TRANSPORTATION
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DOCKET SECTION

44228 OST-98-4522-1

Application of

AMERICAN AIRLINES, INC.

under 49 USC 40109 for exemption (U.S.-
Riga, Latvia; Tallinn, Estonia; and St.
Petersburg, Russia via Helsinki (code-
sharing with Finnair Oy)

OST-98- 4522

APPLICATION OF AMERICAN AIRLINES, INC.
FOR EXEMPTION

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September 30, 1998

NOTICE: Answers supporting or opposing this application
are due on October 16, 1998.

BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D. C.

Application of

AMERICAN AIRLINES, INC.

OST-98-

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Riga, Latvia; Tallinn, Estonia; and St.
Petersburg, Russia via Helsinki (code-
sharing with Finnair Oy)

APPLICATION OF AMERICAN AIRLINES, INC.
FOR EXEMPTION

American Airlines, Inc., under 49 USC 40109, hereby
applies for exemption authorizing it to engage in foreign air
transportation of persons, property, and mail between points in
the United States and Riga, Latvia; Tallinn, Estonia; and St.
Petersburg, Russia via Helsinki, Finland.

The requested exemption authority will be used to
implement a proposed codeshare arrangement between American and
Finnair Oy, as described in the agreement accompanying their
joint application (undocketed) for statements of authorization
under 14 CFR Parts 207 and 212. To implement these services,
American requires the underlying route authority it is seeking
herein

The Air Transport Agreement between the United States and Finland, entered into as of March 29, 1949, and as amended by an Exchange of Notes of June 9, 1995, provides for codeshare services between designated airlines of both Parties (Article 10, ¶ 7). The authority requested herein is fully consistent with the bilateral agreement. Such authority is also consistent with principles of comity and reciprocity which govern the bilateral relationships between the United States, on the one hand, and Latvia, Estonia, and Russia, on the other.

The exemption authority American is seeking is consistent with the public interest. The codeshare services proposed by American and Finnair will provide a more efficient use of capacity in the marketplace, and additional options for the traveling and shipping public. See Statement of United States International Air Transportation Policy, 60 Fed. Reg. 21841, 21842-43 (May 3, 1995), recognizing the public benefits offered by codeshare arrangements between U.S. and foreign carriers. Approval of the proposed arrangement will also provide American its first on-line access to Finland, and beyond Finland to Riga, Tallinn, and St. Petersburg, allowing American to compete with services in these markets operated by other carriers.

American and Finnair are planning to implement their codeshare agreement on April 1, 1999. American requests expedited approval of this application so that advance marketing and sales of the proposed services can commence as soon as possible, and the public can begin to benefit from the enhanced competition that will result.

Respectfully submitted,

A handwritten signature in black ink, reading "Carl B. Nelson, Jr.", written over a horizontal line.

CARL B. NELSON, JR.
Associate General Counsel
American Airlines, Inc.

September 30, 1998

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document by first-class mail on all persons named on the attached service list.



CARL B. NELSON, JR.

September 30, 1998

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